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OPTION

Dated this 3rd day of October, 1958, at Bay City, Michigan.

KNOW ALL MEN BY THESE PRESENTS, That Otto E. Rau and Emily Rau, his wife, and in her own right, of Route No. 1, Bay City, Michigan, parties of the first part, in consideration of Five Hundred Dollars ($500.00), and other valuable considerations, receipt of which is hereby acknowledged, do hereby give and grant unto the Board of Trustees For Tri-County College District, Counties of Saginaw, Bay and Midland, Michigan, party of the second part, or its successors and assigns, the OPTION and RIGHT TO PURCHASE on or before December 15, 1958, all real property owned by them in Section Three, Town 13 North, Range 4 East, Frankenlust Township, Bay County, Michigan, including but not limited to 185 acres described as follows:

The South 1/2 of the Southwest 1/4, and the Northwest 1/4 of the Southwest 1/4 except the North 4 rods of the Northwest 1/4 of the Southwest 1/4; and the southeast 1/4 of the Northwest 1/4; the Northeast 1/4 of the Southwest 1/4, and the Southwest 1/4 of the Northeast 1/4; the Southwest 1/4 of the Northeast 1/4 except the South 15 acres of the East 30 acres thereof.

12,500 paid up to nov 12-58.

For the sum of One Hundred Sixty-four Thousand ($164,000.00) - - - Dollars. It is agreed as follows as respects further conditions of this Option:

1. That the party of the second part shall on or before December 15, 1958 give written notice to first parties of its election to exercise this Option. The mailing in a postage prepaid envelope addressed to the first parties at Route No. 1, Bay City, Michigan, shall constitute the proper giving of notice for the purposes of this Option.

Upon the giving of such notice the first parties shall promptly deliver to second party through its secretary, Oscar M. Anderson, at 927 Saginaw Street, Bay City, Michigan, all abstracts of title and tax histories extended to date of the date of such notice, and second party shall have ten (10) days after delivery to examine the title to said premises. Said abstracts shall be pre-

pared and certified by Superior Abstract and Title Company of Bay City, Michigan.

In the event no defects of title are discovered by such examination, the transaction shall be closed in a place in Bay City, Michigan, to be designated by the second party, at which time the first parties will convey to second party, by Warranty Deed, marketable title in fee simple to the aforesaid premises, and purchaser shall pay thirty (30) per cent of the purchase price (credit being given second party thereon for the $500.00 paid for this Option). Second Party will place the balance of the purchase price in an escrow account, which excrow account shall provide that thirty-five (35) per cent of the purchase price shall be paid to first parties in January of 1959, and the final thirty-five (35) per cent shall be paid to first parties in January of 1960. Any interest earned on the escrow account shall belong to first parties. Provided, however, that if first parties desire to take advantage of the involuntary conversion provision of the federal income tax law, second party will consent to the balance of the purchase price being paid to first parties so that first parties may have the advantage of such provision of the federal income tax law.

2. The first parties shall pay the taxes so assessed against the property through taxes due in December, 1958. ~~Any special assessments falling due against the property will, however, be the liability of second party.~~

3. In the event there are any title defects, the parties shall cooperate in removing the same. But in the event they are not removed within thirty (30) days, or such further time as said party of the second part shall from time to time grant the first parties in writing, the second party may elect to (a) accept the title subject thereto, discharge out of the agreed purchase price any encumbrances of a definite or ascertainable amount, and this transaction shall then be closed as provided in the paragraph above, or (b) refuse to accept the title, in which event this Option shall be of no further force or effect, and the option money shall be returned to second party.

4. It is further agreed and understood that first parties may occupy the following portion of the above described premises rent free for a period of five

years from date of Deed, provided, however, that if for any reason the said leased portion is legally on the tax rolls, the first parties shall pay the taxes so assessed. Any increase in the rate of assessment in connection with any taxes or special assessments on the leased premises shall be paid by the second party. As an example, if the tax including any special assessments or drain taxes per acre for 1958 is $1.00 and if the tax per acre for 1959 shall be $2.00, the first party shall pay $1.00 of the said tax and the second party shall pay $1.00 of the said tax. Failure to do so shall constitute a default and second party, in the event of such default by first parties, may delcare the lease at an end. The leased premises are described as: Beginning at the SW corner of said Section 3, running thence N 2,600 feet, thence East 960 feet, thence South 1,140 feet, thence East to the property line of Elmer Wegener, thence South along Wegener property 1,460 feet to the South line of Section, thence West along Section line to the place of beginning.

It is further agreed that at any time while first parties arenot in default under said lease and before the termination thereof either by the end of the term or by default, first parties may remove from the premises leased any and all buildings now presently on the same. First Parties may also remove any shrubs, plants or crops, but in no event shall waste be committed on the premises, nor shall any trees be removed.

The second party shall have the right to run any water, sewage, gas, electric or other utility lines above, through, or under the leased premises at any time during the term of the lease, but in so doing shall not cause damage to or disturb any growing crops, and if any crops are distrubed or damaged the party of the second party shall pay as damages the fair market value thereof, unless the second party shall have given notice to the first parties of its intention to run any such lines over, through or under the said premises, designating the route, thereof, at least thirty days prior to the planting season. It is further agreed that in laying any such lines, the second party shall not disturb any draninage tile or sanitary tile now servicing the residence of first parties, and in the event that it is damaged or distrubed, the second party shall pay damages therefor, or will replace or reapir the same or connect the tile in the residence with any tiling or sewage lines it is then installing.

It is mutually understood and agreed the second party will clear from the title at its own expense the mining lease of the Beaver Coal Company and the utility easement right of way of the Michigan Bell Telephone Company.

In addition to the consideration heretofore set forth, the second party agrees to pay for the revenue stamps required in connection with this transaction, and to pay to John W. Piggott, attorney for the first parties the sum of $4,800.00 which represents the costs and expenses and attorney fees incurred by the Wegeners, Raus, and Helmreich in reference to the same matter.

The first parties during the term of the tenancy referred to herein shall hold harmless the second party from any damages, costs, charges and suits resulting from injury or damage to person or property of those persons who lawfully shall be on the leased premises described herein, or licensees or invitees of the first parties during the term of the lease.

Default in any of these conditions shall also act as a default of the lease and give second party the option to terminate the same.

Lessees' use of the premises shall be limited to the present buildings on the property and to the present residential and farm purposes only.

It is further understood that upon the signing of this Option second party is given permission to make test borings and run surveys on the land which second party agrees it will do without damage to crops of first parties.

It is understood and agreed that if second party fails to exercise this Option, then said Option shall cease and the $500.00 paid thereunder shall be retained by first parties.

Witnessed by:

R W Bartlett

John W Piggott

Otto E Rau

Emily Rau